

State Board of Equalization
OPERATIONS MEMO
For Public Release

No: 1175
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SUBJECT: STREAMLINED INSTALLMENT PAYMENT AGREEMENTS

I. PURPOSE

This operations memorandum contains revised policies for the Board of Equalization's (BOE's) streamlined installment payment agreements (SIPAs). The SIPA policies have been revised to increase the number of taxpayers that qualify for SIPAs and to simplify the eligibility requirements. This memo only provides information regarding the specific policies that have been changed; all other existing SIPA policies remain in effect.

II. BACKGROUND

SIPAs were intended to simplify the payment agreement process for both taxpayers and BOE staff since financial documentation is not required to be submitted or reviewed. Instead of negotiating the terms of an agreement based on a taxpayer's financial condition, SIPAs allow taxpayers with liabilities totaling \$500 to \$5,000 to make equal monthly payments over a set period of time.

III. POLICY CHANGES

Changes to the BOE's SIPA policies involve three specific areas: eligible liability amount, maximum repayment period, and self-assessed liabilities on closed-out accounts. The policy changes are as follows:

A. Eligible Liability Amount

Taxpayers with liabilities of up to \$10,000 may now qualify for a SIPA. In addition, the minimum liability amount, previously \$500, has been eliminated. Taxpayers with small dollar liabilities may qualify for a SIPA so long as they meet all other SIPA requirements and pay the liability in full within the maximum repayment period. The minimum monthly repayment amount of \$25 for SIPAs remains unchanged.

B. Maximum Repayment Period

The source of a liability (e.g., tax return, audit determination) is no longer a factor in determining the maximum repayment period for a SIPA. The repayment period is now based solely on the status of a taxpayer's BOE account. Taxpayers with active accounts must pay their liability in full within 12 months, while taxpayers with closed-out accounts must pay their liability in full within 24 months.

C. Self-assessed Liabilities on Closed-out Accounts

All liabilities on closed-out accounts, including self-assessed, may be included in a SIPA.

IV. OBSOLESCENCE

This operations memorandum will become obsolete when the information contained herein is incorporated into Chapter 7 of the Compliance Policy and Procedures Manual (CPPM).

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